REMARKS

Claims 2, 4-10, 12, 15-19, and 23-29 are pending in the Application.

In part 1 of the Office Action, the Examiner rejected claims 2,4-10,12,15-19 and 23-29 under 35 U.S.C. § 112, second paragraph. In parts 2-8, the Examiner rejected the claims under 35 U.S.C. § 103 as being unpatentable over U.S. Patent No. 5,727,153 to Powell in view of U.S. Patent Publication 2002/0065712 to Kawan.

Applicant has amended claims 15, 16, 23-25, and 27.

Applicant submits that the pending claims are nonobvious in view of the art of record, and otherwise comply with the statutes and regulations.

Support for amended claim 23's recitation of detecting a purchase by a first customer and displaying a first amount for the respective product, the first amount corresponding to one of a plurality of non-zero prices may be found, for example, in Fig. 8 showing a display of "20 % OFF" and page 21, line 9-14.

Support for amended claim 23's recitation of detecting a purchase by a second customer and displaying a second amount for the respective product, the second amount corresponding to one of the plurality of non-zero prices may be found, for example, in Fig. 19 showing a display of "40 % OFF" and page 21, line 16 – page 22, line 2.

Support for amended claim 24 may be found, for example, page 15, lines 4-8.

Regarding the rejection under § 112, Applicant respectfully submits that is clear that amended claim 23 is a method claim, even if the preamble recites "large amounts of structure" (Office Action, page 2) to specify the location where the method steps are performed. Claim 23 does not cover the display unit in the store area recited in the preamble. Instead, claim 23 covers the recited methods steps if these steps are performed in the recited context of the recited structure.

Regarding the rejection under § 103, Applicant notes that <u>Powell</u> discloses a system for creating, dispensing, and redeeming electronic discount coupons in a store. The system includes a "smart card", product stations adjacent to selected products in the store, and a checkout station in the checkout area. To create an electronic coupon, the customer inserts the card into the product station adjacent to an product the customer wishes to purchase, and the product station then writes an electronic coupon onto the card. The

customer thus shops throughout the store collecting electronic coupons for products of interest. Upon completion of shopping, the customer redeems the electronic coupons at the checkout area, by inserting the card into the checkout station. During checkout, when UPC data matches data stored on the card, the customer is credited with the value of the corresponding coupon. (Powell Abstract).

"FIG. 5 shows product station 115, including green light 4155, red light 4160, and interface slot 4170. Station 115 also has an optional liquid crystal display (LCD) for displaying product promotional messages." (Powell col. 7, lines 58-61).

<u>Kawan</u> discloses a method and system for tracking and redeeming smart card loyalty points includes storing loyalty program information related to transactions with at least one merchant in a loyalty register residing on a smart card microcomputer for the customer. (Kawan, Abstract).

"[I]n addition to updating one or more merchant loyalty registers, the stand alone terminal 2 can be utilized to inquire about a particular merchant loyalty register or to redeem loyalty points. FIG. 8 is a flow chart which illustrates the flow of information in the process of a customer inquiry regarding smart card loyalty points balance and redemption of loyalty points for an embodiment of the present invention. Referring to FIG. 8, at S30, the smart card 4 is inserted into the stand alone terminal 2, which authenticates the card at S31. The consumer then chooses an option at S32 to display the balance for a specific loyalty register at S33. The consumer can choose additional options at S32 that show the number of loyalty points required to obtain specific merchant products or merchant credit at S34. The consumer can also choose to exchange loyalty points for the particular products or credits at S35. The stand alone terminal 2 then updates the specific merchant loyalty register to account for the exchange at S36 and prints out a coupon for use by the consumer at S37. . . . " (Kawan, paragraph 38).

In contrast, each of claims 23, 2, 4-10, 12, and 15-19 recites a method for a store having a plurality of first areas each including a respective display unit supported by the shelf, and located adjacent to the plurality of units of a respective product. The method comprises detecting a purchase by a first customer; determining a first amount, the first amount corresponding to one of a plurality of non-zero prices to be paid for the

respective product; and displaying the first amount from the display unit supported by the product shelf.

No reasonable combination of the art of record would have suggested this interrelation including displaying, from the shelf of a product, the determined amount corresponding to one of a plurality of non-zero prices to be paid for the product. (Base claim 23).

First, there would have been no motivation to combine the tracking system of <u>Kawan</u> with the shelf display of <u>Powell</u> to suggest claim 23. For this reason alone, there can be no proper rejection under § 103.

Second, even if the combination of <u>Kawan</u> and <u>Powell</u> were permissible under § 103, the resulting combination still would not suggest Applicant's invention recited in claim 23, including the recited interrelation with a plurality of non-zero prices. In other words, even if the combination of <u>Kawan</u> and <u>Powell</u> were permissible under § 103, a rejection under § 103 would not be permissible because § 103 requires that "the prior art reference (or references when combined) must teach or suggest all the claim limitations." MPEP 706.02 (j) (emphasis added). Thus, for this second reason alone, there can be no proper rejection under § 103 of claim 23.

Third, even if the combination of <u>Kawan</u> and <u>Powell</u> were permissible under § 103, the resulting combination would not have the effect, on the customer, of displaying the varying amount at the product shelf, as recited in claim 23.

Claims 25 and 26 are patentable because they recite a system comprising a plurality of processing units on respective product shelves, each processing unit including a determiner that determines an amount, responsive to the detected purchase, the amount corresponding to one of a plurality of non-zero prices to be paid for the respective product. (Base claim 25).

Claims 27 and 29 are patentable because they recite a system comprising a plurality of processing units on the recited respective product shelves, each processing unit including means, responsive to the detected purchase of a customer, for determining an amount, the amount corresponding to one of a plurality of non-zero prices to be paid for the respective product. (Base claim 27).

If the Examiner has any questions about this amendment, applicant's representative would appreciate discussing this amendment with the Examiner. Applicant's representative, Jerome Jackson, can be reached at 703-684-4840.

Respectfully submitted,

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